

ORIGINAL



U.S.-FLAG FAR EAST DISCUSSION AGREEMENT

FMC NO. 10050-3  
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WHEREAS, all of the parties hereto are common carriers by water operating U.S.-flag vessels in the United States-Far East liner trades; and

WHEREAS, rapidly evolving changes in the economic, political and technological environment in said liner trades make it necessary that representatives of the parties confer from time to time and exchange views on common problems and, where possible, to agree on a U.S.-flag position to deal with such problems in order to assure that adequate U.S.-flag liner service will be available to merchants shipping cargoes in said United States foreign commerce at fair and reasonable rates, terms and conditions enabling U.S.-flag liner operators to maintain and improve the quality and competitiveness of their U.S.-flag vessels and services; and

WHEREAS, the parties hereto are members of various agreements approved by the Federal Maritime Commission pursuant to Section 15 of the Shipping Act, 1916, relating to the United States-Far East liner trades;

NOW, THEREFORE, in consideration of the premises, it is hereby mutually agreed as follows:

FIRST: The dates and locations of meetings pursuant hereto shall be at the call of the Chairman. At meetings the

parties may discuss, consider, exchange data and, if possible, agree upon a U.S.-flag position pertaining to the following matters of mutual interest:

1. Cargo movements, the seasonality and other fluctuations of traffic flows and related data bearing on the level and frequency of liner services, particularly U.S.-flag liner services, required by the shipping public.
2. Practices in connection with the receipt, carriage and delivery of cargo; and the operation by the parties of vessels, equipment and facilities in the United States and the Far East.
3. Performance of joint surveys of trade needs, present and future, including the collection and exchange of data.
4. Effectiveness and responsiveness of self-policing systems and related costs and contracts.
5. Fuel and energy requirements; environmental controls; economic, political and fiscal policies; liner pools; port development

and other international and governmental programs affecting U.S.-flag liner services in the trades.

6. Cost of service relating to cargo moving in the modes of service offered in the trades, including rates, rules and tariffs therefor.
7. Practices and rate structures and policies relating to the interchange of traffic with land carriers (intermodalism).
8. Any other matter within the scope of approved FMC agreements relating to the United States-Far East trades, provided that any party hereto who is not a party to any such other agreement discussed, shall not be privy to any confidential information or data relative to such other agreements.

SECOND:

1. At any meeting, the parties may establish such standing or ad hoc committees as they may deem desirable for the furtherance of the purposes of this Agreement. Unless

otherwise authorized, no committee shall have power to take any action under this Agreement, but shall only report and/or recommend to the parties. Committees may meet at such times and places as they deem necessary and convenient for the performance of their duties.

2. The portion of minutes of meetings held pursuant to this Agreement including meetings of all committees, subcommittees or working groups dealing with rates, surcharges, and conditions of carriage, whether or not final action was taken thereon, shall be filed with the Commission within 30 days after each such meeting.
3. Absent objection from any party, discussions hereunder and exchanges of information may be accomplished by mail, telephone, telex, telecopier and other communications systems. Copies of any such communication which concern rates, surcharges, or conditions of carriage shall be simultaneously forwarded to the Federal Maritime Commission, including

written accounts of any exchange by telephone,  
or any other oral system.

THIRD: The parties agree that they will exchange such information relevant to the purposes of this Agreement as may be appropriate from time to time. Nothing herein shall be construed as obligating any party to exchange such information, or as limiting the right of any party to continue or to make changes in its present rates, rules and practices. Any carrier by water regularly operating a U.S.-flag liner vessel in commercial common carrier service between ports in the Far East and ports in the United States may become a party to this Agreement. Any party which ceases to operate such U.S.-flag liner service in the trades for a period of six consecutive months shall forthwith cease to be a party hereto.

FOURTH: Each party shall bear the expenses of its representatives in connection with attendance at meetings of the parties; and all other expenses of such meetings and of the approval, carrying out, and amendment of this Agreement, including legal fees, meetings and other activities, shall be borne in equal shares by all of the parties hereto.

FIFTH: This Agreement is to become effective upon approval by the Federal Maritime Commission pursuant to

Section 15, Shipping Act, 1916, as amended. This Agreement shall expire on December 19, 1982.

SIXTH: The parties do not intend to discuss matters related to the carriage of Department of Defense cargo shipped by the Military Sealift Command and such matters are specifically excluded from the scope of this Agreement.

SEVENTH: This document constitutes the entire agreement of the parties and will not be amended or modified without the unanimous consent of the parties.

AMERICAN PRESIDENT LINES, LTD.

WATERMAN STEAMSHIP CORPORATION

By: Robert A. Leary  
Attorney-In-Fact

By: Robert A. Leary  
Attorney-In-Fact

LYKES BROS. STEAMSHIP COMPANY, INC.

By: Robert A. Leary  
Attorney-In-Fact

SEA-LAND SERVICE, INC.

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UNITED STATES LINES, INC.

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